

## Message Text

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12

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 AF-06 FEA-01 DODE-00

PM-04 H-02 L-03 NSC-05 PA-01 PRS-01 SS-15 /093 W

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R 151636Z MAR 76

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 6366

INFO USMISSION EC BRUSSELS

AMEMBASSY MADRID

AMCONSUL OPORTO

USMISSION OECD PARIS

AMCONSUL PONTA DELGADA

USMISSION NATO

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E.O. 11652: N/A

TAGS: EGEN, EINV, ENRG, PO

SUBJ: GOP AMALGAMATES NATIONALIZED OIL/GAS COMPANIES

REF: LISBON 1593 (NOTAL)

1. COUNCIL OF MINISTERS MARCH 12 APPROVED AMALGAMATION  
OF THE FOUR NATIONALIZED, PORTUGUESE-OWNED PETROLEUM  
AND GAS COMPANIES INTO NEW PUBLIC ENTERPRISE CALLED PETROGAL-  
PETROLEOS DE PORTUGAL, E.P. (EMPRESA PUBLICA). COMPANIES  
INVOLVED ARE: SACOR, WHICH HAS REFINERIES IN OPORTO AND  
CABO RUIVO (NEAR LISBON), AND NETWORK OF SERVICE STATIONS;  
SONAP, WHICH HAS SERVICE STATION NETWORK; PETROSUL, WHICH IS  
BUILDING REFINERY AT SINES; AND CIDLA, WHICH DISTRIBUTES  
BOTTLED GAS. DISTRIBUTION SYSTEMS OWNED BY FOREIGN OIL  
COMPANIES UNAFFECTED.

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2. STATUTES APPROVED ESTABLISH MANAGEMENT BOARD, WITH

MAXIMUM OF SEVEN MEMBERS, NOMINATED BY MINISTER OF INDUSTRY AND TECHNOLOGY. THREE-MAN AUDIT BOARD INCLUDES ONE MEMBER NAMED BY WORKERS.

3. COMMENT:

A. IN MARKED CONTRAST TO RECENT AMALGAMATION OF NATIONALIZED CEMENT COMPANIES (REFTEL), GOP COMMUNIQUE ON PETROGAL MADE NO REFERENCE TO WORKER PARTICIPATION OR INTERVENTION IN MANAGEMENT. REASON FOR THIS DIFFERENCE, WHICH MAY EVOKE STRONG WORKER OPPOSITION, IS NOT CLEAR.

B. AMONG COMPONENT COMPANIES OF PETROGAL, ONLY SONAP MADE SLIGHT PROFIT IN 1975. BOTH SACOR AND CIDLA SUFFERED HEAVY LOSSES. FINANCIAL PROBLEMS WILL UNDOUBTEDLY BE AGGRAVATED BY CONTINUED UNDER-UTILIZATION OF REFINERY CAPACITY AND BY CURRENT LABOR STRIFE. PARTIAL STRIKES OVER JOB CLASSIFICATION ISSUES CONTINUE AT OPORTO SACOR REFINERY AND AMONG TANK-TRUCK DRIVERS.

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Concepts:** NATIONALIZATION, PETROLEUM INDUSTRY, BUSINESS MERGERS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 MAR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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